



ROBERT W. HAYES, JR.
SENATOR YORK COUNTY
SENATORIAL DISTRICT NO. 15

COMMITTEES:
ETHICS, CHAIRMAN
BANKING AND INSURANCE
EDUCATION
FINANCE
GENERAL
MEDICAL AFFAIRS

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PSC SC
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August 30, 2012

STATE OF SOUTH CAROLINA
THE SENATE

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Posted: ted
Dept: S.A. /ORS
Date: 9/4/12
Time: 12:51

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Ms. Jocelyn Boyd, Chief Clerk and Administrator
Public Service Commission
P. O. Drawer 11649
Columbia, SC 29211

2012-177-WS

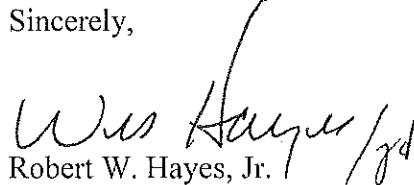
Dear Ms. Boyd:

George Sheppard, Mayor of Tega Cay, has requested my help with regard to Tega Cay Water Services' recent 60% rate increase application. Efforts to reach a compromise on this increase have not been successful. If possible, I would like the Commission to hold a public night hearing in the district on this matter. I have attached a copy of Mayor Sheppard's August 8th letter to me asking for my assistance.

Thank you and the Commission for your help in this matter.

With warm regards, I am

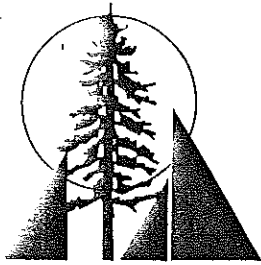
Sincerely,


Robert W. Hayes, Jr.

RWHJr:jd

Attachment

CC: The Honorable George Sheppard



The Good Life

City of
TEGA CAY, SOUTH CAROLINA

Post Office Box 3399
Tega Cay, SC 29708
www.tegacayse.org

7725 Tega Cay Drive
Telephone (803) 548-3512
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The Honorable Wes Hayes
1486 Cureton Drive
Rock Hill, SC 29732

August 8, 2012

Wes and Ralph:

It was really GREAT to see you both yesterday. I am writing to you because I need help for the residents of Tega Cay. Last week, I had a meeting with Utilities, Inc., also known as Tega Cay Water Service, who announced they have applied for a rate increase on their sewer bills. The rate increase requested is 60%. Tega Cay Water Service is the water and sewer provider for the historical portion of the City. With this increase the flat sewer rate would go from \$39.06 to \$62.50 or a \$281.00 increase per home. This increase follows a rate increase of 18% approved on August 16, 2010.

I have been told in the past that the water regulatory environment in South Carolina is widely recognized as one of the most troublesome in the industry. Today, I sent an email to the President of Utilities, Inc. asking her to reconsider the rate increase. She told me in an email the reason why they have to apply for such a large increase is partly due to the State of South Carolina. IOUs (investor owned utilities) have no other revenue to subsidize their operations; therefore, by definition it has to be a fully cost priced system. The only exception would be if the system is able to apply for and receive some type of grant or charitable contribution. In some states, Utilities, Inc. has applied for and received money on the customer's behalf. I am told that the regulatory process guarantees the benefit of that money to go to the customer versus the investor. While the federal government makes provisions for IOUs to do that, SC took extra steps to block IOUs from being able to apply for this money. Is this true? If it is true, how do we correct it? The residents of the City of Tega Cay cannot continue to absorb these rate increases. In comparison to other municipalities, this rate is undeniably exorbitant.

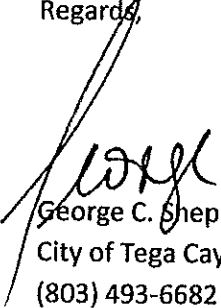
As you know York County was one of the hardest hit counties in the State during the economic downturn. Tega Cay was not exempt. We have families in Tega Cay who have gone from a two paycheck family income to one paycheck – sometimes even less. These families are just hanging on at this point. An increase of this magnitude could put them over the edge. We need your help!

How do we get in front of the ORS and the Public Service Commission this time in order to either stop this increase or at least minimize it for a more reasonable increase? Can we enlist your help to be advocates for the City in front of the ORS? At the last increase the City paid for an attorney to be involved. I am not sure the appetite for the same path exists in the City after seeing the result from the ORS.

I/We need your help in fighting this increase and to untimely change the culture of not allowing the IOUs to seek grants or charitable contributions on behalf of the customers.

Thank you for your attention to this extremely important matter in the City of Tega Cay.

Regards,



George C. Sheppard, Mayor
City of Tega Cay, South Carolina
(803) 493-6682 (c)